

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of }
JAKE W. KATLEMAN and MARY KATLEMAN }

Appearances:

For Appellant: Harry Sackman

For Respondent: Harrison Harkins, Associate Tax Counsel

O P I N I O N

This appeal is made pursuant to Section 19 of the Personal Income Tax Act (Chapter 329, Statutes of 1935, as amended) from the action of the Franchise Tax Commissioner in overruling the protest of Jake W. Katleman and Mary Katleman to a proposed assessment of additional tax for the taxable year ended December 31, 1937, in the amount of \$16.80.

The proposed assessment resulted from a determination by the Respondent that the net income from certain bookmaking operations carried on by the Appellant Jake W. Katleman were equal to six per cent of the gross income therefrom. The Respondent contends that this procedure was necessary and proper because of the absence of any records from which the income could otherwise be determined.

An essentially similar method of computing net income from betting transactions has received the approval of the United States Board of Tax Appeals (Frank J. Moore, 37 B.T.A. 378, 386), and under the circumstances presented herein we think the procedure followed by the Respondent was justified. Since the Appellants have failed to submit any records or other evidence from which the correct amount of their net income can be determined, it necessarily follows that the action of the Commissioner must be sustained.

O R D E R

Pursuant to the views expressed in the opinion of the Board on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the action of Charles J. McColgan, Franchise Tax Commissioner, in overruling the protest of Jake W. Katleman and Mary Katleman to a proposed assessment of additional tax in the amount of \$16.80 for the year ended December 31, 1937, be and the same is hereby sustained.

Appeal of Jake W. Katleman and Mary Katleman

Done at Sacramento, California; this 4th day of August,
1942, by the State Board of Equalization.

R. E. Collins, Chairman
Wm. G. Bonelli, Member
George R. Reilly, Member

ATTEST! Dixwell L. Pierce, Secretary